



## MEMORANDUM

**TO:** Mayor and Council

**CC:** Marc A. Ott, City Manager  
Robert Goode, P.E., Assistant City Manager

**FROM:** Robert Spillar, P.E., Director,  
Austin Transportation Department

**DATE:** May 11, 2016

**SUBJECT:** Vehicles for Hire Deregulation

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This memorandum provides an update on the effort to address equity within the local ground transportation industry to provide a “level playing field”. In order to achieve this, the current ground transportation regulations for taxis and limousines should be evaluated and brought into alignment with those for transportation network companies. The Austin Transportation Department (ATD) will continue to regulate all ground transportation providers for the purpose of public safety. However the overall regulatory scheme should allow different modes of ground transportation to compete directly and allow customers to select the type of ground transportation they prefer to use. ATD has initiated a process and has initially engaged a group of stakeholders to seek input consisting of the taxi franchises, representatives of the limousine and shuttle industry, and the drivers union. Additional opportunities for stakeholder participation will be provided as the process unfolds.

It should be noted that the most substantial changes will take place within the taxi industry. A transition from the current system of managed competition to an open entry system would provide a truly competitive marketplace. This would require the City of Austin to abandon the taxi franchise model for an operating authority system. The final step of that transition could be to revoke the existing franchise agreements after all operators are conforming to the new operating authority approach. These modifications represent a deregulation of the taxi and limousine industries in Austin and would allow these mobility providers to compete in the open market, with the transportation network companies and with each other.

ATD staff is working with the Austin Bergstrom International Airport Staff to evaluate vehicle-for-hire access to the airport that might include an opportunity for a concession model or other management structure.

This transition also comes at a time where the city has initiated a process to authorize a new, driver-owned cooperative franchise. Should the City council approve a transition from

franchise to operating authority, the coop would be permitted as a taxicab operating authority directly instead of a franchise.

The proposed timeline to completely vet these changes is:

- May 18<sup>th</sup> – Stakeholder meeting
- May 25<sup>th</sup> – Stakeholder meeting
- June 6<sup>th</sup> – Presentation to Urban Transportation Commission
- June 14<sup>th</sup> – Presentation to Mobility Committee
- August 4<sup>th</sup> – on Council agenda